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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/523,079

03/10/2000

Brian L. Gerhardt

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09/06/2006

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EXAMINER

O'CONNOR, GERALD J

ART UNIT

PAPER NUMBER

3627

DATE MAILED: 09/06/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/523,079

Applicant(s)

Gerhardt

Examiner

O'Connor

Art Unit

3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE THREE MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on June 26, 2006 (RCE) and May 23, 2006 (Amdt).
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 2, 6-9, and 12 is/are pending in the application.
- 4a) Of the above claim(s) none is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 2, 6-9, and 12 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on March 10, 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on May 23, 2006 has been entered.

Preliminary Remarks

2. This Office action responds to the amendment and arguments filed by applicant on May 23, 2006 in reply to the previous Office action on the merits, mailed March 24, 2006.

3. The amendment of claims 1 and 7 by applicant in the reply filed on May 23, 2006 is hereby acknowledged.

Claim Objections

4. Claims 1, 2, and 6 are objected to because of the following informality: it appears that "obtain" (claim 1, line 5) was intended to be --sell-- (as in the previous version of the claims, since no change was indicated), which correction will be assumed for purposes of further consideration of the claims, hereinbelow. Appropriate correction (or clarification) is required.

Response to Declaration Under 37 CFR 1.131

5. The declaration filed on September 6, 2005 under 37 CFR 1.131 has been considered but is ineffective to overcome the Brodersen et al. reference.

To establish prior invention of the claimed subject matter, applicant can provide a showing of facts sufficient to show: (1) conception of the invention prior to the effective date of the reference; coupled with, (2) due diligence from prior to the date of the reference, through to the (3) filing date of the application (constructive reduction to practice). See MPEP § 715.07(III).

Applicant's showing of facts is sufficient to establish the first and third of these three criteria, the date of conception of the invention and the date of constructive reduction to practice.

However, applicant has failed to satisfy the second of the three necessary criteria, because the evidence submitted is insufficient to establish diligence from a date prior to the date of reduction to practice of the Brodersen et al. reference to either a constructive reduction to practice or an actual reduction to practice.

Where, as here, conception occurs prior to the date of the reference, but reduction to practice is afterward, it is not enough merely to *allege* that applicant or patent owner had been diligent. *Ex parte Hunter*, 1889 C.D. 218, 49 O.G. 733 (Comm'r Pat. 1889). Rather, applicant must show evidence of *facts* establishing diligence. Merely stating that the subject matter "was diligently reduced to practice" has been held to be not a showing but a mere pleading. *In re Harry*, 333 F.2d 920, 923, 142 USPQ 164, 166 (CCPA 1964). Note that applicant must account for the *entire period* during which diligence is required. *Gould v. Schawlow*, 363 F.2d 908, 919,

150 USPQ 634, 643 (CCPA 1966). Even a *two-day* period lacking activity has been held to be fatal. *In re Mulder*, 716 F.2d 1542, 1545, 219 USPQ 189, 193 (Fed. Cir. 1983) (37 CFR 1.131 issue). See MPEP §§ 715.07(a) and 2138.06.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in-

(1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effect under this subsection of a national application published under section 122(b) only if the international application designating the United States was published under Article 21(2)(a) of such treaty in the English language; or

(2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that a patent shall not be deemed filed in the United States for the purposes of this subsection based on the filing of an international application filed under the treaty defined in section 351(a).

7. Claims 1, 2, 6-9, and 12 are rejected under 35 U.S.C. 102(e) as being anticipated by Brodersen et al. (US 2002/0065764), based on the December 17, 1999 filing date of parent application 09/466,262 (note the correct application number and filing date here of the parent application, as that information was incorrect on the face of the application as published, though it has since been corrected).

Regarding claims 1, 7, and 9, Brodersen et al. disclose a network-based parts distribution system and method comprising: a plurality of buyer computers for operation by at least one of a plurality of system participants desiring to obtain one or more parts; a plurality of seller computers for operation by at least one of a plurality of system participants desiring to sell one or more parts; at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network, said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all available parts and to receive part requests from said buyer computers and select one or more parts from said database in response to said requests, wherein said parts in said database are sorted into a plurality of inventory categories, and wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition; a signed master agreement between said system participants, said master agreement determining aspects of transactions before participation by a system participant commences; and, said server computer configured to relay a purchase order consistent with said transaction aspects determined by said master agreement, wherein each of said system participants is able to buy and sell parts.

Regarding claims 2, 6, 8, and 12, the server computer of Brodersen et al. selects parts according to a buyer-specific picking order, and the computer network 18 is the Internet.

8. Claims 1, 2, 6-9, and 12 are rejected under 35 U.S.C. 102(b) as being anticipated by Woolston (US 5,845,265).

Regarding claims 1, 7, and 9, Woolston discloses a network-based parts distribution system and method comprising: a plurality of buyer computers for operation by at least one of a plurality of system participants desiring to obtain one or more parts; a plurality of seller computers for operation by at least one of a plurality of system participants desiring to sell one or more parts; at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network, said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all available parts and to receive part requests from said buyer computers and select one or more parts from said database in response to said requests, wherein said parts in said database are sorted into a plurality of inventory categories, and wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition; a signed master agreement between said system participants, said master agreement determining aspects of transactions before participation by a system participant commences; and, said server computer configured to relay a purchase order consistent with said transaction aspects determined by said master agreement, wherein each of said system participants is able to buy and sell parts.

Regarding claims 2, 6, 8, and 12, the server computer of Woolston selects parts according to a buyer-specific picking order, and the computer network 18 is the Internet.

Response to Arguments

9. Applicant's arguments filed May 23, 2006 have been fully considered but are not persuasive.

10. Regarding the argument that the inventor followed conception with reasonable diligence because the inventor later filed an application for patent, filing an enabled patent application is considered evidence of a date of a constructive reduction to practice. Applicant's declaration submitted under 37 CFR § 1.131 shows evidence of a conception of the invention prior to the date of the Brodersen et al. reference. What is thus far lacking is any evidence or showing of diligence from a time before the effective date of the Brodersen et al. reference (i.e., not necessarily all the time from the date of conception) up until the time of the constructive reduction to practice (i.e., the filing of the instant application). Note that the requirement for a showing of diligence applies to both engineering work on the invention *per se* as well as to legal work by any attorneys involved in preparing, or assisting in preparing, a patent application. See MPEP §§ 715.07(a) and 2138.06.

11. Regarding the argument that diligence is evidenced by the application being filed two months after the invention disclosure, the *entire period* during which diligence is required must be accounted for by *either affirmative acts or acceptable excuses*. *Rebstock v. Flouret*, 191 USPQ 342, 345 (Bd. Pat. Inter. 1975). Additionally, diligence requires that applicants must be *specific as to dates and facts*. *Kendall v. Searles*, 173 F.2d 986, 993, 81 USPQ 363, 369 (CCPA 1949).

12. Regarding the argument that Brodersen et al. do not disclose or suggest a signed master agreement between system participants, where the master agreement determines aspects of transactions before participation by a system participant commences, Brodersen et al. indeed disclose, and certainly suggest, a signed master agreement between system participants, where the master agreement determines aspects of transactions before participation by a system participant commences. See, for example, ¶ 47.

13. Regarding the argument that Brodersen et al. do not disclose or suggest that the server computer is configured to relay a purchase order consistent with those transaction aspects determined by the master agreement, Brodersen et al. indeed disclose, and certainly suggest, that the server computer is configured to relay a purchase order consistent with those transaction aspects determined by the master agreement. See, for example, ¶ 49.

14. Regarding the argument that Brodersen et al. do not disclose or suggest that each system participant is able to buy and sell parts, a recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim. In a claim drawn to a process of making, the intended use must result in a manipulative difference as compared to the prior art. See *In re Casey*, 152 USPQ 235 (CCPA 1967) and *In re Otto*, 136 USPQ 458, 459 (CCPA 1963).

Conclusion

15. The prior art made of record and not relied upon is considered pertinent to the disclosure.

16. Any inquiry concerning this communication, or earlier communications, should be directed to the examiner, **Jerry O'Connor**, whose telephone number is **(571) 272-6787**, and whose facsimile number is **(571) 273-6787**.

The examiner can normally be reached weekdays from 9:30 to 6:00.

If attempts to reach the examiner are unsuccessful, the examiner's supervisor, Mr. Alexander Kalinowski, can be reached at (571) 272-6771.

Official replies to this Office action may be submitted by any *one* of fax, mail, or hand delivery. **Faxed replies are preferred and should be directed to (571) 273-8300.** Mailed replies should be addressed to "Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450." Hand delivered replies should be delivered to the "Customer Service Window, Randolph Building, 401 Dulany Street, Alexandria, VA 22314."

GJOC

August 31, 2006



Gerald J. O'Connor

Primary Examiner

Group Art Unit 3627

8/31/06